

PRESIDENT'S REPORT

As we celebrate our 72nd Annual Meeting, I have been reflecting on another positive year for Texas Bridge Credit Union (TXBCU). As with any year, we experienced many challenges and opportunities. At the beginning of 2023, we projected the unprecedented rise in interest rate increases by the Federal Reserve in 2022 and into 2023 would have a financial impact on our credit union. It certainly did and we were not alone. Our ALCO committee was engaged throughout 2023 adjusting rates on loans and deposits in order to maintain profitability. Action was also taken to reprice our investment portfolio in order to increase investment income. Although we experienced a decrease in net income in 2023 from 2022, we finished the year in a favorable position. Many of our members also benefitted from what I believe is the largest payout of dividends in our history. Our dividend expense nearly tripled in 2023 from 2022 in order to remain competitive on our certificate rates compared to other financial institutions in the area.

As interest rates rose and everyone felt the impacts of inflation, loan demand decreased. We had a slight decrease in loan volume in 2023 relative to 2022. Additionally, charge-offs on loans increased in 2023 after several years of low charge-off activity. However, TXBCU delinquency and charge-offs continues to pace well below those of our peer credit unions. This is a positive reflection of our Loan Department approving quality loans as well as a membership committed to making timely payments on their loans.

TXBCU is well-capitalized per regulatory guidelines with assets continuing to grow in 2023 to \$83.7 million and your deposits continue to remain federally insured up to \$250,000 by NCUA. A regulatory change went into effect in January 2023 which had a direct impact on our Undivided Earnings. This accounting revision, known as Current Expected Credit Losses (CECL), had a one-time impact on our reserves and will affect how we set aside reserves to our Allowance for Loan Loss Account in the future.

The success of any organization depends upon effective leadership of its people including management, staff and its Board of Directors. TXBCU maintains stability within its Board of Directors who offer consistency, guidance and support to the credit union. We continue to enjoy minimal staff turnover with many employees serving you for many years. I'm also proud to note our management team averages nearly 20 years of service to TXBCU and our membership.

Over the past 72 years, we have endured many changes and economic uncertainties and we know there will be more in the future. However, we remain committed to serving our current and future members regardless of the challenges that may come our way. Thank you for the trust and confidence you have shown in our staff, Board of Directors and myself to be stewards of your credit union. We look forward to working on your behalf in 2024 and beyond.

Sincerely,



David L. Brooks
President



MEMBERSHIP REPORT

In 2023, our total membership increased from 6,789 to 6,795.

Our field of membership includes:

- Employees of the City of Corpus Christi
- Persons receiving retirement, pension or other benefits as a result of prior employment by the City of Corpus Christi.
- Spouses of persons deceased while within the field of membership.
- Family members as defined in board policy.
- Employees of the Port of Corpus Christi Authority.
- Employees of Medina Engineering and Surveying.
- Members of the Pan American Golf Association.
- Employees of the Corpus Christi Foundation Repair Company.
- Eligible groups of employees or members of companies or associations located within ten miles of the Credit Union's office.
- Persons who live, work or attend school and businesses in Nueces County

ARTICLES OF INCORPORATION & BYLAW AMENDMENTS

There were no changes to Texas Bridge Credit Union's Articles of Incorporation in 2023. A Credit Union bylaw was amended in 2023. A Non-Standard Amendment to the Credit Union Bylaws was approved by the Board of Directors on June 26, 2023 and approved by the Credit Union Commissioner on July 18, 2023.

Chapter V, Section 5.01 of the credit union's bylaws were amended. It reads as follows:

(c) Terms. Directors may not serve more than six (6) regular 3-year terms plus any partial term already served. Directors who have reached term limit status are eligible to be appointed to fill a vacancy until the next available election. Directors, past or present, who have reached term limit status not be eligible to seek future elections of full or unexpired terms.

The amended bylaw became effective upon approval by the Credit Union Commissioner and supersedes all previous bylaws and amendments.

CREDIT COMMITTEE REPORT

During 2023 loans decreased by \$170,932 or -0.27%. This included financing for new and used vehicles, boats and RVs, vacations, education, home improvements, home equity, member business loans, overdrawn share draft accounts and personal expenses. As of December 31, 2023 there were 2,962 loans outstanding totaling \$61,734,313 and another \$608,217 in MasterCard loan balances representing 607 accounts. Combined, there are 3,569 loans outstanding totaling \$62,342,530.

Texas Bridge Credit Union

2140 Gollihar Rd., Corpus Christi, TX 78416
3131 Holly Rd., Corpus Christi, TX 78415

www.txbcu.com



BOARD OF DIRECTORS

Eugene Hernandez
Chairman
Term Expires 2024

Eddie Martinez
Vice Chairman
Term Expires 2026

Lou Villagomez
Secretary/Treasurer
Term Expires 2025

Roland Barrera
Term Expires 2026

Armando Chapa
Term Expires 2024

John Valls
Term Expires 2024

Denise Villagran
Term Expires 2026

No honorary or advisory board members were appointed by the Board in 2023.

STAFF

David Brooks, *President*

Mark Avelar, *Executive Vice President*

Christine Hinojosa, *Vice President Accounting*

Debra Miller, *Loan Manager*

Katie Dominguez, *Member Services Manager/IT*

Maria Mendez-Igou, *Teller Manager*

There were no changes in senior management in 2023.

Cheryl Bostick, *Teller Services Supervisor*

Candice Elizalde, *Accounting Operations Specialist*

Desi Lerma, *Accounting Operations Assistant*

Toni Lopez, *Teller Services*

Marcia Lopata, *Teller Services*

Samantha Lopez, *Member Services*

Carl Manning, *Collections/Facilities*

Anastasia Martinez, *Member Services*

Adriana Vela-Perez, *Loan Officer*

Tessa Prado, *Member Services*

Veronica Rangel, *Teller Services*

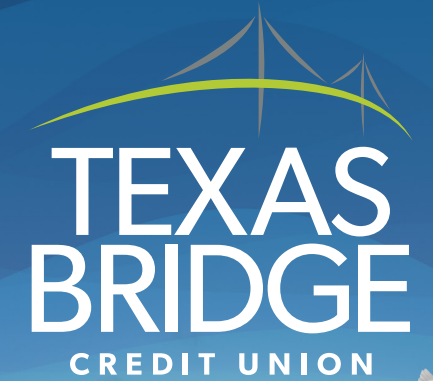
Virginia Salazar, *Loan Officer*

Sally San Miguel, *Teller Services*

Darlene Thomson, *Teller Services*

Angie Torres, *Teller Services*

Zoraida York, *Teller Services*



**TEXAS
BRIDGE**
CREDIT UNION



72nd
ANNUAL MEETING

2023 ANNUAL REPORT

REPORT FROM THE CHAIRMAN

It has been an honor to serve as your Board Chairman for Texas Bridge Credit Union (TXBCU) for the past two years. I consider myself fortunate to serve along with my fellow volunteer Board Directors whose priority is protecting the interests of our membership.

In 2023, TXBCU persevered through inflationary challenges and interest rate hikes. We felt the pinch just as you did but we finished with a profitable year. I credit our leadership and staff for being responsive in identifying operational efficiencies while also continuing to prioritize the needs of our members. In 2023, your Board of Directors approved the largest dividend payout to our membership in our history. This is one example of us prioritizing our member's best interests above all.

Members can rest assured that deposits at TXBCU continue to be safe and secure along with a balanced financial portfolio. Assets increased to over \$83 million while also maintaining a healthy loan portfolio at \$62.3 million. Furthermore, we maintained regulatory compliance with both the NCUA and Texas Credit Union Department along with satisfactory annual audits covering several areas of our operations.

In 2023, TXBCU Board Directors challenged staff to identify innovative products and services to offer our membership and I'm encouraged about the new offerings that are forthcoming. We recognize that our members want the conveniences of technology while still offering a personal touch from our attentive staff. As always, we continue to identify areas of cost-savings and seek opportunities for income and membership growth.

We are once again offering our scholarship program that provides financial scholarships to our members and their dependents with matching funds available to those attending local colleges and universities. These scholarships are available to high school seniors or anyone wishing to continue their certification or higher education goals.

Looking ahead in 2024, I anticipate numerous opportunities for us to grow and serve our current and future members. We are encouraged that loan demand will increase with anticipated reductions in lending rates while still offering competitive savings rates. I am also extremely proud of our credit union's continued stability in leadership, staff and Board of Directors.

Thank you for allowing me to serve as your Board Chairman. I've been a TXBCU member for nearly 40 years and it's been rewarding to give back to a credit union that has served my family so well. We sincerely appreciate your membership and the trust you have placed in this wonderful organization.

Sincerely,

Gino Hernandez



BALANCE SHEET

Assets	2023	2022
Loans to Members	62,342,530	62,513,462
Allowance for Loan Loss	<105,573>	-68,453
Net Loans	62,236,957	62,445,009
Cash	1,174,683	1,076,535
Investments	16,980,386	11,543,040
NCUSIF Deposit	730,838	697,028
Accrued Interest Rec.	209,495	146,531
Property & Equipment	2,238,322	2,231,154
Other Assets	163,224	251,839
Total Assets	83,733,905	78,391,136

Liabilities & Equity	2023	2022
Dividends Payable	177,805	74,215
Other Liabilities	456,148	1,789,232
Deposit Accounts	76,619,555	70,018,508
Regular Reserves	549,177	549,177
Undivided Earnings	5,931,220	5,960,004
Total Liabilities & Equity	83,733,905	78,391,136

ANNUAL AUDIT REPORT

A Supervisory Committee Review was performed by Cornerstone Resources as of September 30, 2023 to verify the accuracy of Texas Bridge Credit Union's records in accordance with requirements set forth in the Credit Union Laws and Regulations.

The auditors examined or tested accounting records and other supporting evidence and made a general review of the system of internal controls. Comments and recommendations were presented for the Board and management's attention.

Our regulatory agency, the Texas Credit Union Department, performs annual examinations to review the credit union's financial condition and to determine if it is in compliance with state and federal rules and regulations. Examiners from the National Credit Union Administration (NCUA) may participate in these exams. The last examination was conducted for the period ending December 31, 2022. Additional audits and reviews are also conducted as required by law.

STATEMENT OF INCOME

Operating Income	2023	2022
Interest from Loans	2,951,458	2,434,945
Income from Investments	390,101	122,343
Fee Income	1,019,597	1,014,396
Miscellaneous Income	85,618	183,353
Total Operating Income	4,446,774	3,755,037

Operating Expense	2023	2022
Compensation	1,210,128	1,158,753
Benefits	380,141	370,378
Travel & Conference	75,137	64,958
Association Dues	24,573	24,080
Office Occupancy	252,352	246,183
Office Operations	421,387	400,456
Education & Promotion	144,413	146,083
Loan Servicing Expense	33,237	32,661
Professional & Outside Services	599,268	545,917
Members' Insurance	0	0
Supervision/Exam	13,281	12,816
NCUA Insurance Assessment	0	0
Cash Over/Short	<439>	2,118
Annual Meeting	15,000	2,400
Misc. Operating	68,848	34,219
Total Operating Expenses	3,237,326	3,041,022

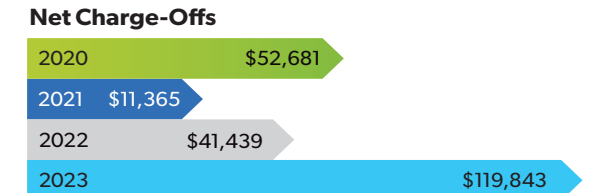
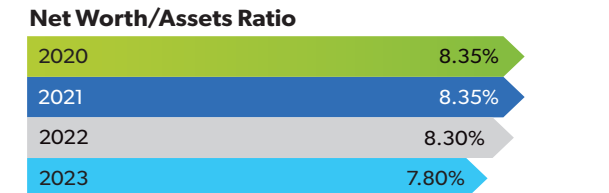
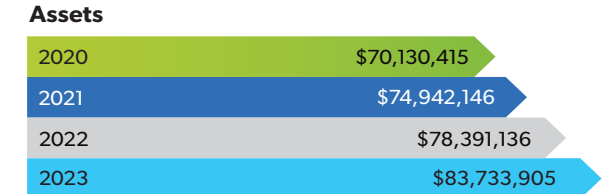
Provision for Loan Losses	77,000	65,100
Provision for S/D Losses	1,000	5,000

Income Before Dividends and Extraordinary Items	1,131,448	643,915
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Dividends	1,065,304	380,049
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Interest-Borrowed Money	15,965	12,922
Non-Operating/Extraordinary Items		
Disposition of Fixed Assets	0	100
Gain(Loss) Investment	0	0
NCUA (Loss) Write Down	0	0
Net Income (Loss)	50,179	251,044

FINANCIAL TRENDS



2023 DEPOSITS

